

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 23709 01 OF 02 081110Z

11

ACTION EUR-10

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-03

EA-07 FRB-01 INR-10 IO-03 NEA-06 NSAE-00 RSC-01

OPIC-02 SP-02 TRSE-00 CIEP-01 LAB-01 SIL-01 SWF-01

OMB-01 DRC-01 /058 W

----- 037572

R 081057Z OCT 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 3826

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 23709

E.O.11652: N/A

TAGS: EFIN, OECD

SUBJECT: PAYMENTS COMMITTEE MEETING, SEPT 30, 1974

REFS: (A) PC/M(74)4

(B) PC(74)5

(C) C(74)31

(D) PC(74)2 (1ST REV)

(E) C(74)149

(F) C(74)153

(G) C(74)155

(H) PC(74)4

(I) STATE 50862 OF 3/20/73

(J) OECD 6941

(K) OECD 10475

1. SUMMARY. PAYMENTS COMMITTEE (PC) ACCEPTED AND FORWARDED TO COUNCIL REPORTS OF INVISIBLES COMMITTEE (IC) ON UK NOTES CONCERNING PAYMENTS CHANNELS' SWEDISH DEROGATION TO CAPITAL CODE COVERING RESTRICTIONS ON OUTWARD DIRECT INVESTMENT, AND ITALIAN DEROGATION TO INVISIBLES OPERATIONS CODE CONCERNING TOURIST TRANSFERS. NO DECISION TAKEN ON PROPOSED CHANGE IN FORM OF PC/IC

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 23709 01 OF 02 081110Z

RECOMMENDATIONS OR PC WORK PROCEDURES. LATTER TWO ITEMS

TO BE DISCUSSED AT NEXT MEETING ON OCT 25. PC REVIEW OF FIFTH EXAMINATION OF RESERVATIONS TO FILMS ITEM IN INVISIBLES CODE POSTPONED TO NEXT MEETING. ACTION REQUESTED: RESPONSE TO ACTION ITEMS PARAS 2-7.

2. FIFTH EXAMINATION OF FILMS RESERVATION (REF C): POSTPONED UNTIL PC MEETING ON OCT 25. ACTION: MISSION WILL ACCEPT REF C IN PC AND COUNCIL, AS NOTED IN REF J, UNLESS OTHERWISE INSTRUCTED.

3. AMENDMENT OF UK NOTES CONCERNING PAYMENTS CHANNELS: PC ACCEPTED REF E WITHOUT SUBSTANTIVE COMMENT FOR FORWARDING TO COUNCIL. ACTION: MISSION WILL ACCEPT REF E IN COUNCIL UNLESS OTHERWISE INSTRUCTED.

4. CONTINUED SWEDISH DEROGATION TO CAPITAL CODE FOR OUTWARD DIRECT INVESTMENT: PC AGREED SWEDEN WAS JUSTIFIED IN CONTINUING TO INVOKE DEROGATION CLAUSE THIS ITEM AND WILL FORWARD REF F TO COUNCIL WITHOUT COMMENT. ACTION: MISSION WILL ACCEPT REF F IN COUNCIL UNLESS OTHERWISE INSTRUCTED.

5. ITALIAN DEROGATION TO INVISIBLES CODE FOR TOURISM: PC AGREED THAT ITALY IS JUSTIFIED IN INVOKING DEROGATION ON TOURISM TRANSACTIONS. SEVERAL REPS HOPED IT WOULD SOON BE POSSIBLE FOR ITALIAN AUTHORITIES TO RAISE AUTOMATIC TOURIST ALLOCATIONS FOR RESIDENTS TO THE MINIMUM LEVEL OF 700 UNITS OF ACCOUNT AS ENVISIONED IN CODE. SUCH MINIMAL AMOUNT COULD HARDLY BE SIGNIFICANT ADDITION TO ITALIAN B/P PROBLEMS. ACTION: MISSION WILL ACCEPT REF G IN COUNCIL UNLESS OTHERWISE INSTRUCTED.

6. PROPOSED CHANGE IN FORM OF IC RECOMMENDATIONS ON COUNTRY RESERVATIONS (REF B): PC DISCUSSION THIS ITEM INCONCLUSIVE SINCE MOST DELEGATES DID NOT HAVE INSTRUCTIONS DUE TO LATE DISTRIBUTION OF REF B. SWISS REP THOUGHT HIS AUTHORITIES COULD ACCEPT, BUT WAS WORRIED ABOUT POSSIBLE WATERING-DOWN EFFECT OF NEW PROCEDURES ON IC RECOMMENDATIONS TO RELAX COUNTRY RESERVATIONS TO CODES. ITALIAN REP DOUBTED CHANGE WOULD BE SUBSTANTIVE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 23709 01 OF 02 081110Z

ONE. U.S. REP NOTED THAT PRESENT PROCEDURES (FACILITY IN PARA 3 PLUS ABSTENTION IN PARA 7, REF B) WOULD COVER MOST SITUATIONS IN WHICH COUNTRIES COULD NOT ACCEPT IC RECOMMENDATIONS IN COUNCIL REGARDING REMOVAL OR MODIFICATION OF COUNTRY RESERVATIONS. FELT THAT NEW FORM SUGGESTED IN PARA 5 REF B WOULD BE USEFUL ONLY IN SENSE THAT IT RELAXES SLIGHTLY THE MEANS OF REJECTION BY A COUNTRY WHICH FINDS IT IMPOSSIBLE, FOR POLITICAL OR

OTHER REASONS, TO ACCEPT AN IC RECOMMENDATION. FUNDA-
MENTAL SITUATION (DESCRIBED PARA 3 REF K) PROBABLY NOT
IMPROVED BY THIS CHANGE. ACTION REQUESTED: UNLESS
OTHERWISE INSTRUCTED, MISSION WILL OPPOSE NEW PRCCEDURE
OUTLINED PARA 5 REF B.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 23709 02 OF 02 081113Z

11

ACTION EUR-10

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-03

EA-07 FRB-01 INR-10 IO-03 NEA-06 NSAE-00 RSC-01

OPIC-02 SP-02 TRSE-00 CIEP-01 LAB-01 SIL-01 SWF-01

OMB-01 DRC-01 /058 W

----- 037631

R 081057Z OCT 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 3827

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 23709

7. REVIEW OF PC WORK PROCEDURES: PC HELD PRELIMINARY
DISCUSSION REF H (NOTE BY FORMER CHAIRMAN OF PC) CON-
CERNING TERMS OF REFERENCE AND WORK PROCEDURES. MOST
REPS AGREED WITH U.S. VIEW THAT BASIC FUNCTION OF PC
WAS TO REVIEW WORK OF IC, AND THAT ONLY VERY SELDOM
WOULD SITUATION ARISE WHERE PC SHOULD CONSIDER REPORTS
BY INSURANCE COMMITTEE, FINANCIAL MARKET COMMITTEE OR
FISCAL AFFAIRS COMMITTEE, SINCE THESE COMMITTEES WERE
COMPOSED OF DELEGATES COMING DIRECTLY FROM NATIONAL
CAPITALS. UK REP WENT FURTHER, SUGGESTING THAT UK
NATIONAL DELEGATIONS TO OTHER COMMITTEES WOULD PREFER
THAT PC NOT BE PLACED BETWEEN THOSE CCOMMITTEES AND
COUNCIL. PC AGREED TO PARA 5 REF H WITH EXCEPTION OF

QUESTION WHETHER OR NOT PC SHOULD BE ENTITLED TO AMEND
DRAFT DECISIONS OR RECOMMENDATIONS OF IC. THIS QUESTION
RELATED TO PARA 6 ABOVE AND ANALYSIS IN PARA 3 REF K;
PC WILL RE-CONSIDER IT AT FUTURE MEETING. ACTION
REQUESTED: MISSION WOULD APPRECIATE WASHINGTON VIEWS
ON QUESTION OF PC WORK PROCEDURES REF H AND RELATED
QUESTION OF FURTHER INSULATING WORK OF IC (NOTED IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 23709 02 OF 02 081113Z

PARA 3 REF K) FROM POLITICAL PRESSURES OF EXPEDIERCE AND
ACCEPTABILITY TO GOVERNMENTS REGARDING IC RECOMMENDA-
TIONS. MISSION BELIEVES THAT SOME EFFORT TO FURTHER
REMOVE IC FROM PROCESS OF REVISING REPORTS AND DECISIONS
TO TAKE ACCOUNT OF INDIVIDUAL COUNTRY EXCEPTIONS WOULD
BE HEALTHY, AND THAT ONE METHOD OF ACCOMPLISHING THIS
WOULD BE TO ALLOW PC TO REVISE IC RECOMMENDED DECISIONS
BEFORE FORWARDING THEM TO COUNCIL, WITH ONLY THE REVISED
DECISION BEING FORWARDED TO COUNCIL, ALTHOUGH IC REPORT
CONTAINING ORIGINAL DECISION WOULD PREFERABLY STILL BE
AVAILABLE TO COUNCIL AS REFDOC. MISSION WILL SUPPORT
THIS APPROACH UNLESS OTHERWISE INSTRUCTED.
TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, AGREEMENT DRAFT, COMMITTEE MEETINGS, MEETING PROCEEDINGS, CAPITAL FLOWS, BANK LOANS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 08 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP23709
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740285-0008
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741064/aaaaccgs.tel
Line Count: 195
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) PC/M(74)4
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 29 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 APR 2002 by boyleja>; APPROVED <11 MAR 2003 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PAYMENTS COMMITTEE MEETING, SEPT 30, 1974
TAGS: EFIN, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005